M00.R0101 MARYLAND HEALTH CARE COMMISSION

PROGRAM DESCRIPTION

The Maryland Health Care Commission (MHCC), created in 1999, operates under Subtitle 1 of Title 19 of the Health General Article to develop and carry out new health policies, including: 1) developing a database on all non-hospital health care services; 2) developing the comprehensive standard health benefit plan for small employers; 3) monitoring the fiscal impact of state mandated benefits; 4) developing quality and performance measures for health maintenance organizations; 5) developing quality and performance measures for hospitals, ambulatory care facilities, and nursing homes; 6) overseeing electronic claims clearinghouses; 7) directing and administering state health planning functions to produce the State Health Plan; and 8) conducting the Certificate of Need program for regulated entities.

MISSION

The mission of the Maryland Health Care Commission is to plan for health system needs, promote informed decision-making, increase accountability, and improve access in a rapidly changing health care environment by providing timely and accurate information on availability, cost, and quality of services to policy makers, purchasers, providers and the public.

VISION

The Commission envisions a state in which informed consumers hold the health care system accountable and have access to affordable and appropriate health care services through programs that serve as national models.

GOALS AND OBJECTIVES

Goal 1. Improve quality of care in the health care industry.

Objective 1: By CY 2004, have all HMOs that have been operating predominantly in Maryland's commercial market for three years be "Star Performers" in at least one performance measure.

Performance Measures	2001 Actual	2002 Actual	2003 Estimated	2004 Estimated
Input: Number of plans rated.	15	12	9	9
Output: Number of reports distributed (paper copies and web hits)	177,000	120,000	80,000	80,000
Quality: Number of Star Performers for which performance was above-average for at least one performance measure	5	8	7	9
Quality: Number of Star Performers for which performance was above-average of all plans for three years in a row	5	8	7	9

Program Performance: The Commission expanded information on managed behavioral health care and coverage of prescription drugs in the 2001 series of reports. In CY 2002, 8 plans were designated as "Star Performers" on from 1 to 6 performance measures each. Counts of distribution for FY 2003 and FY 2004, which will reflect distribution of the HMO Guide for Consumers to be released in fall 2002 and 2003, respectively, will be tallied differently than in past years. The Commission's new website host can provide more accurate counts (as "visits" rather than "hits") of access to publications posted on the website. Counts of electronic access will be lower (by an estimated 25 percent) because each visitor's movement through a publication will be counted only once and not result in a count of each page or section visited, as is reflected by "hits."

Objective 2: In FY 2004, expand information and distribution of hospital, nursing home, and ambulatory surgical facility performance evaluation reporting.

Performance Measures	2001 Actual	2002 Actual	2003 Estimated	2004 Estimated
Input: Number of nursing homes rated	n/a	225	225	225
Number of hospitals rated	n/a	47	47	47
Number of ambulatory surgical facilities rated	n/a	0	284	284

Output: Number of reports distributed (web visitors)				
Nursing Homes	n/a	78,360	65,280	65,280
Hospitals	n/a	29,371	39,516	39,516
Ambulatory Surgical Facilities	n/a	n/a	n/a	n/a

Program Performance: During FY 01, the Commission procured the assistance of a contractor for the development phase, design, and format of these reports. During FY 02, the Commission developed the nursing home reporting system and the hospital reporting system and continued development of the ambulatory care facilities reporting system. The Commission has contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Nursing Home Performance Evaluation Guide was released on August 7, 2001; and the initial version of the Hospital Performance Evaluation Guide was unveiled at a press conference on January 31, 2002. Please note that approximately 50% of all visits to the websites occurred during the first month after their initial releases. That level of activity is unlikely to reoccur. The Commission expects the ambulatory care facilities reporting system to become operational in the fall of calendar year 2002.

Goal 2. Improve access and affordability of health insurance.

Objective 1. In FY 2004, complete timely analysis of the social, medical, and fiscal impact of mandated health insurance benefits and report findings.

Performance Measures	**2001 Actual**	**2002 Actual**	**2003 Estimated**	**2004 Estimated**
Input: Number of proposed mandated health benefits	8	6	10	10
Input: Number of enacted mandates for health benefits	3	2	5	5
Output: Number of estimates for mandated health benefits.	8	6	10	10
Quality: Release timely report to the General Assembly for consideration	1	1	1	1

Program Performance: The Commission's consulting actuary assists with the annual preparation of a mandated health insurance evaluation of the fiscal, social, and medical impact of the proposed mandates (six) that did not pass during the legislative session. Each year, the report is presented to the Commission, and sent to the General Assembly in December, prior to the next legislative session.

Objective 2. Improve access to health insurance in the small group market.

Performance Measures	**2001 Actual**	**2002 Actual**	**2003 Estimated**	**2004 Estimated**
Input: Number of mandates proposed in the small group market	3	2	5	5
Input: Number of mandates covered in the small group market	1	*	2	2
Outcome: % of Small Employers offering coverage as a percent of all small employers in MD.	50%	45%	48%	50%
Quality: Average cost of plan as percent of affordability cap	74%	78%	81%	84%

Program Performance: The total number of Maryland small employers (with one to 49 employees) was estimated at 114,500 by the Maryland Department of Labor, Licensing, and Regulation as of September 30, 2001. More than 45% of the small employers in Maryland are offering group benefit plans to their employees. This figure has increased from 40% in 1995 (when the CSHBP was fully implemented). The Commission continues efforts to maintain the affordability of Comprehensive Standard Health Benefit Plan (CSHBP) premiums by meeting the affordability cap of 12% of Maryland's average annual wage. The Commission will act on staff recommendations and the actuarial report in October, 2002.

Goal 3. Reduce the costs of health care expenditures.

Objective 1. Improve understanding of health care spending patterns.

Performance Measures	2001 Actual	2002 Actual	2003 Estimated	2004 Estimated
Input: Number of payers submitting data	59	60	65	65
Output: Number SHEA reports	1	1	1	1
Number of task order studies	2	4	4	4
Number of Spotlight on Maryland reports	1	3	6	6
Quality: Number of people exposed to the reports	1,500	1,500	1,600	1,700

Program Performance: During FY 02, the Commission produced the following reports: *State Health Care Expenditures: Experience from 2000; Maryland Health Insurance Coverage Through 2000, A Graphic Profile; Practitioner Utilization: Trends within Privately Insured Patients, 1999-2000; Spotlight on Maryland: Escalating Health Care Costs, Rising Premiums Depress HMO Enrollment); Spotlight on Maryland: Diagnosis of Alzheimer's Disease Climbs);* and *Spotlight on Maryland: Hospital Outpatient Spending.*

Objective 2. Eliminate unnecessary administrative expenses through electronic data interchange (EDI).

Performance Measures	2001 Actual	2002 Actual	2003 Estimated	2004 Estimated
Input: Number of electronic health networks (EHNs) requesting certification	8	7	4	4
Output: Number of EHNs currently certified by MHCC	8	13	15	15
Outcome: Increase in the percentage of EDI statewide	54.2%	57%	60%	60%
Efficiency: Volume of claims received electronically by private payers	27.7%	31%	50%	60%

Program Performance: The Commission certifies all electronic health networks serving Maryland insurers, HMOs and POS plans. The Commission released its Annual *EDI Progress Report* in January 2002.

Objective 3. Educate private sector payers and providers on the efficient acquisition, development, and distribution of information technology for Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliance.

Performance Measures	2001 Actual	2002 Estimated	2003 Estimated	2004 Estimated
Output: Number of training sessions held	7	15	20	20
Output: Number of health care organizations and practitioners receiving HIPAA/EDI information	500	900	1,200	1,500

Program Performance: Commission staff has monitored, analyzed, and educated members of the health care industry on HIPAA issues since the release of the transaction rules by the Clinton administration in October 1999. Commission staff monitors regulations and develops strategies with the Commission's HIPAA/EDI Work Group as well as other interested groups both within Maryland and in other states. The Commission hosted a statewide conference on HIPAA compliance issues in February 2002. The Commission continued analysis and education regarding recent revisions to HIPAA Privacy Regulations released by the Centers for Medicare and Medicaid Services (CMS) in March 2002. In FY 2003 and FY 2004, staff will continue work on a draft of *"A Guide to Security Readiness"* an assessment tool designed to assist small facilities and practitioners with HIPAA security regulations, and continue educational efforts for the medical provider community.

Goal 4. Ensure that the State Health Plan provides a framework for guiding the future development of services and facilities regulated under the Certificate of Need program.

Objective 1. Annually update the appropriate State Health Plan Chapters.

Performance Measures	2001 Actual	2002 Actual	2003 Estimated	2004 Estimated
Input: Total number of Plan Chapters	8	8	8	8
Output: Number of Plan Chapters/Special Studies	8	8	8	8
Output: Number of Requests for Technical Assistance	240	245	250	255

Program Performance: During FY 2002, the Commission revised the entire State Health Plan chapter governing acute inpatient obstetric services. In addition, the Commission updated the Long Term Care Services and Organ Transplant Services chapters of the State Health Plan. During the reporting period, the Commission worked with HSCRC, other state agencies, and hospitals to study emergency department utilization and identify strategies to address crowding.

Objective 2. Ensure that the Certificate of Need (CON) program functions as an effective health policy and planning tool.

Performance Measures	2001 Actual	2002 Actual	2003 Estimated	2004 Estimated
Output: Number of CON Actions by the Commission	28	17	18	20
Number determinations of CON coverage and Prelicensure reviews	118	177	140	150

Program Performance: During FY 2002, the Health Resources Division completed the two-year study of the CON program mandated by HB 995 (Chapter 702, Acts of 1999), with the January 2002 publication of the second volume of *An Analysis and Evaluation of the Certificate of Need Program in Maryland*. Based on these reports, the Commission recommended no immediate changes in CON coverage of health care facilities and services in the state, but outlined ways in which it will adapt the State Health Plan so that the CON process can address issues identified in the study, particularly protecting access to key health care services. Significant changes in the hospital rate-setting system have brought a marked increase in the number, scope, and complexity of CON applications by hospitals: the Commission approved major capital construction and renovation projects at four Maryland hospitals, at a combined cost of $221 million, and expects CON applications for major capital expenditures at least four more hospitals within the first half of FY 2003. Commission staff conducting a greater number of determinations for CON coverage and prelicensure reviews during FY 2002 due to the implementation of the new regulations for delicensing beds. In another significant trend, 17 hospitals have submitted plans for capital projects to upgrade their emergency departments over the next two years, for a combined cost of $81.9 million.